

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 GSA-02 INT-05 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 OIC-02 SIL-01 EA-10 /132 W
-----037565 101227Z /14

R 091759Z MAR 78

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 5390

INFO ALL EC CAPITALS

USMISSION GENEVA

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USEEC

PARIS ALSO FOR OECD

E.O.11652: N/A

TAGS: EMIN, ITC, GSA, EEC

SUBJECT: GSA TIN DISPOSAL AND COPPER ACQUISITION

REF: (A) STATE 58800 (B) BRUSSELS 1273

1. MISSION OFFICER ADVISED MICHEL CELLERIER, CHIEF OF THE LDC COMMODITIES POLICY SECTION OF THE DIRECTORATE-GENERAL FOR DEVELOPMENT OF THE EC COMMISSION AND HIS ASSISTANT BERTOLETTI, OF THE CONTENT OF THE UDALL-DECONCINI PROPOSAL (REF A) AND OF THE ADMINISTRATION'S SUPPORT OF THIS PROPOSAL. CELLERIER AGREED THAT THE PROPOSED ACQUISITION OF COPPER SHOULD HELP STRENGTHEN THE WORLD COPPER MARKET, PARTICULARLY IF IT IS DONE ON A TIMELY BASIS. CELLERIER WONDERED WHETHER THE US INTENT IS TO BUY PRIMARILY COPPER FROM US MINES OR ON THE WORLD MARKET, BUT CONCEDED THAT IT PROBABLY WOULD NOT MAKE
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MUCH DIFFERENCE AS LONG AS THE US REMAINS OPEN TO COPPER IMPORTS FROM LDC PRODUCERS. HE ALSO OFFERED THE PERSONAL COMMENT THAT IF THE EUROPEAN COMMUNITY, JAPAN, AND OTHER DEVELOPED COUNTRIES ALSO MADE MODEST NATIONAL ACQUISITIONS OF COPPER IN THE NEAR FUTURE, IT WOULD FURTHER STRENGTHEN THE WORLD COPPER MARKET. HE SAID HE WOULD SEE WHETHER THE COMMISSION MIGHT CONSIDER SUGGESTING SUCH A

PROGRAM TO THE MEMBER STATES, ALTHOUGH THEIR PAST
RELUCTANCE TO HOLD COMMODITY STOCKS MIGHT DISCOURAGE THE
COMMISSION FROM EVEN RAISING SUCH A POSSIBILITY.

2. IN DISCUSSING THE WORLD COPPER MARKET, CELLERIER
NOTED EFFORTS BY SOME PRODUCING COUNTRIES (NOTABLY ZAMBIA,
ZAIRE AND PERU) TO REDUCE COPPER PRODUCTION AND EXPORTS.
HE FELT MANY COPPER PRODUCERS IN CIPEC WOULD PROBABLY
CONTINUE TO TRY TO AGREE ON AN EXPORT RATIONALIZATION
PROGRAM DESPITE CONCERN REGARDING POSSIBLE INCREASED
PRODUCTION BY NON-CIPEC PRODUCERS. HE BELIEVED THAT THE
US COPPER ACQUISITION PROGRAM PER SE SHOULD NOT INTERFERE
WITH THESE EFFORTS.

3. CELLERIER COMMENTED ON APPARENT PRESENT US ENCOURAGE-
MENT OF PRODUCERS TO ADOPT A PROGRAM TO CUT BACK COPPER
PRODUCTION. HE WONDERED WHETHER THIS INDICATED A CHANGE
FROM EARLIER US OPPOSITION TO MEASURES TO CONTROL COPPER
EXPORTS/PRODUCTION IN A POSSIBLE COPPER ICA (PARA 10,
REF B).

4. CELLERIER NOTED THAT ACP COPPER PRODUCERS,
PRINCIPALLY ZAIRE, WILL BE PUTTING CONSIDERABLE PRESSURE
ON THE EC DURING THE UPCOMING EC/ACP MINISTERIAL MEETING
IN BRUSSELS TO EXTEND IN FUTURE LOME II NEGOTIATIONS THE
EC STABEX SCHEME TO INCLUDE COPPER. MEMBER STATES
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OPPOSE SUCH EXTENSION SINCE IT COULD BE VERY COSTLY FOR
THE EC. CELLERIER BELIEVES THAT IT MIGHT ALSO ACT TO
DISCOURAGE COPPER PRODUCERS FROM REDUCING THEIR OUTPUT.
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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, ACQUISITION, TIN, STOCKPILES
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Copy: SINGLE
Draft Date: 09 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780389/aaaacxke.tel
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Litigation History:
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